

IN WITNESS WHEREOF, the County has caused this Third Supplemental Indenture to be executed in its name and behalf by the President of the Governing Body, has caused its official seal to be hereunto affixed and has caused this Third Supplemental Indenture to be attested by the Minute Clerk of the Governing Body, and the Trustee has caused this Third Supplemental Indenture to be executed in its corporate name and behalf, has caused its corporate seal to be hereunto affixed and has caused this Third Supplemental Indenture to be attested, by its duly authorized officers, all in ten (10) counterparts, each of which shall be deemed an original, and the County and the Trustee have caused this Third Supplemental Indenture to be dated as of March 1, 2001, although actually executed and delivered on March 22, 2001.

JEFFERSON COUNTY, ALABAMA

By _____
President of the County Commission

ATTEST:

Minute Clerk of the
County Commission

[S E A L]

THE BANK OF NEW YORK, as Successor Trustee
under the Trust Indenture of Jefferson County,
Alabama, dated as of February 1, 1997

By: The Bank of New York Trust Company
of Florida, N.A.,
Its Agent

By _____
Its _____

ATTEST:

Its _____

[S E A L]

STATE OF ALABAMA)
 :
JEFFERSON COUNTY)

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that Gary White, whose name as President of the County Commission of JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the within instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said county.

GIVEN under my hand and official seal of office, this _____ day of March, 2001.

[NOTARIAL SEAL]

Notary Public

My Commission Expires: _____

STATE OF ALABAMA)
 :
JEFFERSON COUNTY)

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that _____, whose name as _____ of THE BANK OF NEW YORK TRUST COMPANY OF FLORIDA, N.A., a national banking association acting as agent for THE BANK OF NEW YORK, a New York banking corporation acting in its capacity as Trustee under the Trust Indenture of Jefferson County, Alabama, dated as of February 1, 1997, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the within instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said banking association in its capacity as the agent of the Trustee as aforesaid.

GIVEN under my hand and official seal of office, this _____ day of March, 2001.

[NOTARIAL SEAL]

Notary Public

My Commission Expires: _____

310685.2

FOURTH SUPPLEMENTAL INDENTURE

between

JEFFERSON COUNTY, ALABAMA

and

THE BANK OF NEW YORK

Dated as of February 1, 2002

Relating to

\$110,000,000

JEFFERSON COUNTY, ALABAMA

**Sewer Revenue Capital Improvement Warrants
Series 2002-A**

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between
JEFFERSON COUNTY, ALABAMA
and
THE BANK OF NEW YORK

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FOURTH SUPPLEMENTAL INDENTURE between **JEFFERSON COUNTY, ALABAMA**, a political subdivision of the State of Alabama (herein called the "County"), and **THE BANK OF NEW YORK**, a New York banking corporation in its capacity as successor to AmSouth Bank of Alabama, as Trustee under that certain Trust Indenture of the County dated as of February 1, 1997 (said banking corporation in such capacity, as well as any successor trustee under said Trust Indenture, being herein called the "Trustee"),

RECITALS

Under and pursuant to the provisions of the aforesaid Trust Indenture (herein called the "Original Indenture"), the County has heretofore issued \$211,040,000 principal amount of Sewer Revenue Refunding Warrants, Series 1997-A, dated February 1, 1997 (herein called the "Series 1997-A Warrants"), \$48,020,000 principal amount of Taxable Sewer Revenue Refunding Warrants, Series 1997-B, dated February 1, 1997 (herein called the "Series 1997-B Warrants"), and \$52,880,000 principal amount of Taxable Sewer Revenue Refunding Warrants, Series 1997-C, dated February 15, 1997 (herein called the "Series 1997-C Warrants"). The Series 1997-A Warrants, the Series 1997-B Warrants and the Series 1997-C Warrants were issued to refund certain indebtedness of the County that had been incurred to pay the costs of certain capital improvements to the County's sanitary sewer system (herein called the "System").

Under the provisions of Article X of the Original Indenture, the County reserved the right to issue, upon compliance with the conditions precedent set forth in said Article X, additional warrants, bonds, notes or other forms of indebtedness (herein called "Additional Parity Securities"), to be secured on a parity with securities previously issued under the Indenture, for the purposes of refunding any outstanding obligations of the County issued to finance capital improvements to the System and of financing the costs of acquiring and constructing capital improvements to the System. The County has heretofore issued as Additional Parity Securities its (a) \$296,395,000 aggregate principal amount of Sewer Revenue Warrants, Series 1997-D, dated March 1, 1997 (herein called the "Series 1997-D Warrants"), (b) its \$952,695,000 aggregate principal amount of Sewer Revenue Capital Improvement Warrants, Series 1999-A, dated March 1, 1999 (herein called the "Series 1999-A Warrants"), and (c) its \$275,000,000 aggregate principal amount of Sewer Revenue Capital Improvement Warrants, Series 2001-A, dated March 1, 2001 (herein called the "Series 2001-A Warrants"). The Series 1997-D Warrants, the Series 1999-A Warrants and the Series 2001-A Warrants were issued under the Original Indenture, as supplemented and amended by the First Supplemental Indenture dated as of March 1, 1997 (herein called the "First Supplemental Indenture"), the Second Supplemental Indenture dated as of March 1, 1999 (herein called the "Second Supplemental Indenture"), and the Third Supplemental Indenture dated as of March 1, 2001 (herein called the "Third Supplemental Indenture"), between the County and the Trustee.

The County proposes to sell and issue the Series 2002-A Warrants hereinafter referred to in order to obtain funds to pay the costs of additional capital improvements to the System. The County has, by proper official action and pursuant to the provisions of the Original Indenture (as heretofore

supplemented), duly authorized said Series 2002-A Warrants, which are to be secured by the Original Indenture, as supplemented hereby and by the First, Second and Third Supplemental Indentures, on a parity with the outstanding Series 1997-A Warrants, Series 1997-B Warrants, Series 1997-C Warrants, Series 1997-D Warrants, Series 1999-A Warrants and Series 2001-A Warrants (herein together called the "Outstanding Parity Securities"). This Fourth Supplemental Indenture has been executed and delivered in order to specify the details with respect to said Series 2002-A Warrants and to provide for certain other matters set forth herein.

NOW, THEREFORE, THIS

FOURTH SUPPLEMENTAL INDENTURE

WITNESSETH:

It is hereby agreed among the County, the Trustee and the holders at any time of said Series 2002-A Warrants (the holders of said Series 2002-A Warrants evidencing their consent hereto by the acceptance of said Series 2002-A Warrants), each with each of the others, as follows:

ARTICLE I

DEFINITIONS, FINDINGS AND USE OF PHRASES

Section 1.1 **New Definitions.** Unless the context clearly indicates a different meaning, the following words and phrases, as used in this Fourth Supplemental Indenture, shall have the following respective meanings:

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Alternate Rate Index", when used with respect to the Remarketing Agent's failure to determine an interest rate on a required determination date for the Variable Rate Mode or the Flexible Rate Mode, means 85% of the Prime Commercial Paper A-1/P-1 (30-day) rate shown in the table captioned "Short-Term Tax-Exempt Yields" in the edition of *The Bond Buyer* (or a successor publication) published on the determination date or, if not published on such date, in the most recent published edition.

"Authorized Denominations" means (i) for Series 2002-A Warrants bearing interest at the Variable Rate or the Flexible Rate, \$100,000 or any larger amount that is a multiple of \$5,000, and (ii) for Series 2002-A Warrants bearing interest at a Term Rate, \$5,000 or any multiple thereof.

"Bank" means JPMorgan Chase Bank, together with its successors and assigns, until a Substitute Standby Purchase Agreement shall have been accepted by the Trustee, and thereafter "Bank" shall mean the provider of such Substitute Standby Purchase Agreement.

"Bank Event of Default" means an "Event of Default" as such term is defined in the Standby Purchase Agreement.

"Bank Indebtedness" means all indebtedness or obligations of the County to the Bank under the terms of the Indenture, the Bank Warrants or the Standby Purchase Agreement, whether now existing or hereafter arising.

"Bank Rate" has the meaning assigned to such term in the Standby Purchase Agreement; provided, however, that such rate shall not exceed the Cap Rate applicable to Bank Warrants.

"Bank Rate Interest Payment Date" means a date on which interest calculated according to the Bank Rate is payable with respect to a Bank Warrant.

"Bank Warrant" means a Series 2002-A Warrant owned by the Bank after purchase pursuant to the Standby Purchase Agreement.

"Bank Warrant Sale Price", when used with respect to a Bank Warrant that is remarketed, means the principal amount of such Series 2002-A Warrant plus interest accrued thereon at the Bank Rate to the date of remarketing of such Bank Warrant.

"Bond Insurer" means Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto.

"Cap Rate" means (i) with respect to Series 2002-A Warrants other than Bank Warrants, 10% per annum, and (ii) with respect to Bank Warrants, 18% per annum.

"Conversion Date" means the day on which conversion from one Interest Rate Mode to a different Interest Rate Mode becomes effective.

"Costs of Issuance" means the expenses incurred by the County in connection with the issuance of the Series 2002-A Warrants, including legal, consulting, accounting and underwriting fees.

"Debt Service" means the principal, premium (if any) and interest payable on the Series 2002-A Warrants.

"Eligible Warrants", when used with respect to Tendered Warrants to be purchased pursuant to the Standby Purchase Agreement, has the meaning assigned to such term in the Standby Purchase Agreement.

"Expiration Date", when used with respect to any Standby Purchase Agreement, means the date on which the commitment of the Bank to purchase Series 2002-A Warrants actually terminates.

"Favorable Tax Opinion" means an Opinion of Counsel acceptable to the Trustee and the Bank stating in effect that the proposed action, together with any other changes with respect to the Series 2002-A Warrants made or to be made in connection with such action, will not cause interest on the Series 2002-A Warrants to become Taxable.

"Financing Documents" means the Indenture, the Remarketing Agreement and the Standby Purchase Agreement.

"Financing Participants" means the County, the Bank, the Trustee, the Remarketing Agent and the Tender Agent.

"Flexible Rate", when used with respect to any Series 2002-A Warrant in the Flexible Rate Mode, means the fixed interest rate borne by such Series 2002-A Warrant during a Flexible Rate Period.

"Flexible Rate Interest Payment Date", when used with respect to any Series 2002-A Warrant in the Flexible Rate Mode, means a date on which interest calculated at the Flexible Rate is payable on such Series 2002-A Warrant.

"Flexible Rate Mode" means the Interest Rate Mode in which a Series 2002-A Warrant bears interest at the Flexible Rate.

"Flexible Rate Period", when used with respect to any Series 2002-A Warrant in the Flexible Rate Mode, means a period established pursuant to Section 2.2(b) during which such Series 2002-A Warrant bears interest at a Flexible Rate established for such period.

"Fourth Supplemental Indenture" or **"this Fourth Supplemental Indenture"** means this Fourth Supplemental Indenture.

"Interest Payment Date", when used with respect to any installment of interest on a Series 2002-A Warrant, means the date specified herein and in such Series 2002-A Warrant as the fixed date on which such installment of interest is due and payable.

"Interest Rate Mode" means the Variable Rate Mode, the Flexible Rate Mode or the Term Rate Mode.

"Mandatory Tender" means a required tender of a Series 2002-A Warrant for purchase pursuant to Section 2.5.

"Mandatory Tender Date" means a date on which a Series 2002-A Warrant is to be purchased pursuant to a Mandatory Tender.

"Maturity", when used with respect to any Series 2002-A Warrant, means the date specified herein and in such Series 2002-A Warrant as the fixed date on which principal of such Series 2002-A Warrant is due and payable.

"Office of the Tender Agent" means the designated office of the Tender Agent for hand delivery of notices and other documents.

"Office of the Trustee" means the designated office of the Trustee for hand delivery of notices and other documents.

"Opinion of Counsel" means an opinion from an attorney or firm of attorneys with experience in the matters to be covered in the opinion. Except as otherwise expressly provided in this Fourth Supplemental Indenture, the attorney or attorneys rendering such opinion may be counsel for one or more of the Financing Participants.

"Optional Tender" means a tender of a Series 2002-A Warrant for purchase at the option of the Holder thereof pursuant to Section 2.4.

"Optional Tender Date" means a date on which a Series 2002-A Warrant is to be purchased pursuant to an Optional Tender.

"Post-Default Rate" means (i) when used with respect to any payment of Debt Service on any Series 2002-A Warrant, the rate specified in such Series 2002-A Warrant for overdue installments of Debt Service on such Series 2002-A Warrant, computed as provided in such Series 2002-A Warrant, (ii) when used with respect to all other payments due under this Indenture, a variable rate equal to the Trustee's prime rate plus 1%, computed on the basis of a 365 or 366-day year, as the case may be, for actual days elapsed, and (iii) when used with respect to any Bank Warrants or any amounts payable to the Bank under any of the Financing Documents, the Bank Rate plus 2%, computed on the basis of a 360-day year for the actual number of days elapsed.

"Purchase Price", when used with respect to a Tendered Warrant, means 100% of the principal amount of such Series 2002-A Warrant plus accrued interest to the Tender Date. If the Tender Date for a Series 2002-A Warrant is also an Interest Payment Date for such Series 2002-A Warrant, the interest due on such date shall not be considered part of the Purchase Price; rather, such interest shall be paid in accordance with the provisions of the Indenture governing regular interest payments.

"Regular Record Date" means (i) with respect to Series 2002-A Warrants in the Variable Rate Mode, the day immediately prior to the Variable Rate Interest Payment Date (whether or not a Business Day), (ii) with respect to Series 2002-A Warrants in the Flexible Rate Mode, the day immediately prior to the Flexible Rate Interest Payment Date (whether or not a Business Day) and (iii) with respect to Series 2002-A Warrants in the Term Rate Mode, the 15th day (whether or not a Business Day) of the month next preceding the Term Rate Interest Payment Date.

"Remarketing Agent" means J. P. Morgan Securities, Inc., or a successor Remarketing Agent that shall have become such pursuant to the applicable provisions of this Indenture.

"Remarketing Agreement" means the agreement entered into by the County and the Remarketing Agent.

"Reserve Policy" means the municipal bond debt service reserve fund policy issued by Financial Guaranty Insurance Company (the "Bond Insurer") simultaneously with the issuance of the Series 2002-A Warrants and deposited in the Reserve Fund established under the Indenture.

"Series 2002-A Insurance Policy" means the municipal bond insurance policy issued by the Bond Insurer that guarantees payment of principal of and interest on the Series 2002-A Warrants.

"Series 2002-A Issuance Costs" means the reasonable costs and expenses of issuing and selling the Series 2002-A Warrants, including, without limitation, the fees and expenses of Bond Counsel to the County, the Trustee's fees and expenses, the fees of any Rating Agency rating the Series 2002-A Warrants, bond insurance premiums, accounting fees, financial advisory fees, underwriters' commissions and discounts, the costs of printing the Official Statement for the Series 2002-A Warrants, and other usual and customary expenses.

"Series 2002-A Warrants" means the County's Sewer Revenue Capital Improvement Warrants, Series 2002-A, authorized to be issued in the aggregate principal amount of \$110,000,000.

"Standby Purchase Agreement" means that certain Standby Warrant Purchase Agreement dated as of February 1, 2002, among the Bank, the Trustee and the County, until a Substitute Standby Purchase Agreement shall have been accepted by the Trustee, and thereafter "Standby Purchase Agreement" shall mean such Substitute Standby Purchase Agreement.

"Stated Expiration Date", when used with respect to any Standby Purchase Agreement, means the date on which the obligation of the Bank to purchase Series 2002-A Warrants thereunder will expire by its terms. The Stated Expiration Date of any Standby Purchase Agreement may be extended as provided in Section 2.10(e).

"Substitute Standby Purchase Agreement" means an agreement for the purchase of Series 2002-A Warrants not remarketed that is accepted by the Trustee pursuant to the terms and conditions of Section 2.10.

"Taxable" means that for purposes of federal income taxation interest on the Series 2002-A Warrants is includible in the gross income of any Holder thereof for any reason. Interest on the Series 2002-A Warrants shall not be deemed "Taxable" because interest is includible in any calculation of income for purposes of an alternative minimum tax, a foreign branch profits tax or any other type of taxation other than the regular tax imposed on gross income.

"Tender Agent" means the Trustee, until a successor Tender Agent shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Tender Agent" shall mean such successor.

"Tender Date" means an Optional Tender Date or a Mandatory Tender Date, as the case may be.

"Tendered Warrants" means Series 2002-A Warrants tendered for purchase pursuant to the Optional or Mandatory Tender provisions of this Indenture.

"Term Rate", when used with respect to any Series 2002-A Warrant in the Term Rate Mode, means the fixed interest rate borne by such Series 2002-A Warrant during a Term Rate Period.

"Term Rate Interest Payment Date", when used with respect to any Series 2002-A Warrant in the Term Rate Mode, means a date on which interest calculated according to a Term Rate is payable on such Series 2002-A Warrant.

"Term Rate Mode" means the Interest Rate Mode in which the Series 2002-A Warrants bear interest at the Term Rate.

"Term Rate Period", when used with respect to any Series 2002-A Warrant in the Term Rate Mode, means a period established pursuant to Section 2.2(c) during which such Series 2002-A Warrant bears interest at a Term Rate established for such period.

"Unsurrendered Series 2002-A Warrant" means a Series 2002-A Warrant (or portion thereof) which is deemed purchased pursuant to the Optional or Mandatory Tender provisions hereof, but which has not been presented to the Tender Agent by the Holder thereof.

"Variable Rate", when used with respect to any Series 2002-A Warrant in the Variable Rate Mode, means the variable interest rate borne by such Series 2002-A Warrant while such Series 2002-A Warrant is in the Variable Rate Mode.

"Variable Rate Interest Payment Date", when used with respect to any Series 2002-A Warrant in the Variable Rate Mode, means a date on which interest calculated at the Variable Rate is payable on such Series 2002-A Warrant.

"Variable Rate Mode" means the Interest Rate Mode in which a Series 2002-A Warrant bears interest at the Variable Rate.

"Warrant Purchase Fund" means the fund established pursuant to Section 5.1.

"Warrant Register" means the register or registers for the registration and transfer of Parity Securities maintained by the Trustee pursuant to the Indenture.

"Wire Transfer" means payment by wire transfer to an account maintained at a bank located in the United States; provided, however, that any person entitled to receive any payment due under this Indenture by wire transfer must deliver adequate written instructions for such payment to the Trustee or Tender Agent, as the case may be.

"2002 System Improvements" means the System Improvements, the costs of which are to be financed, in whole or in part, through the issuance of the Series 2002-A Warrants.

Section 1.2 **Findings.** The Governing Body has ascertained and does hereby find and declare as follows:

(a) Purposes for which Additional Parity Securities may be Issued. In the Original Indenture, the County has reserved the right to issue, upon compliance with the conditions precedent set forth therein, additional warrants, bonds, notes or other obligations that are secured on a parity with the Outstanding Parity Securities, as respects the pledge of the revenues derived by the County from the operation of the System, for the purposes of financing the costs of constructing or acquiring any System Improvements and refunding or retiring all or any portion of any one or more series of Parity Securities then outstanding under the Indenture or any other obligations of the County issued to finance System Improvements.

(b) Purpose of the Series 2002-A Warrants. In order to comply with the requirements of the Consent Decree entered in those civil actions consolidated in the United States District Court, Northern District of Alabama, and styled *United States of America v. Jefferson County, Alabama, et al.*, Civil Action No. 94-G-2947-S, and *R. Allen Kipp, Jr., et al. and Cahaba River Society, Inc. v. Jefferson County, Alabama, et al.*, Civil Action No. 93-G-2492-S, and to otherwise provide for the expansion and improvement of the System, it is necessary, desirable and in the public interest for the County to issue the Series 2002-A Warrants to finance the costs of acquiring and constructing various System Improvements.

(c) No Default. No Event of Default and no event which, with the giving of notice or the passage of time or both, would constitute such an Event of Default, has occurred and is continuing.

(d) Additional Parity Securities Previously Issued. No Parity Securities, other than the Outstanding Parity Securities, have heretofore been issued by the County under the Indenture, and the County now has no outstanding obligations payable from the revenues derived by the County

from the operation of the System except the Outstanding Parity Securities and certain related Qualified Swap transactions.

(e) Revenue Certificate. The County has provided the Trustee with a Revenue Certificate that satisfies the requirements of Section 10.2 of the Original Indenture with respect to the issuance of the Series 2002-A Warrants.

Section 1.3 **Use of Phrases**. "Herein", "hereby", "hereunder", "hereof", "hereinbefore", "hereinafter" and other equivalent words refer to this Fourth Supplemental Indenture as an entirety and not solely to the particular portion thereof in which any such word is used. The terms used herein include both singular and plural. Whenever used herein, any pronoun shall be deemed to include both singular and plural and to cover all genders.

Section 1.4 **Definitions Contained in the Original Indenture**. Unless the context clearly indicates a different meaning, any words, terms or phrases that are used in this Fourth Supplemental Indenture as defined terms without being herein defined shall have the meanings respectively given them in the Original Indenture (subject to any amendments thereto made in the First, Second or Third Supplemental Indenture).

Section 1.5 **References to the Parity Securities and the Indenture**. The County and the Trustee acknowledge and agree that, from and after the issuance by the County of the Series 2002-A Warrants, any reference in the Original Indenture or in this Fourth Supplemental Indenture to the "Parity Securities" shall, unless the context clearly and unequivocally indicates otherwise, be construed to include the Outstanding Parity Securities, the Series 2002-A Warrants and any Additional Parity Securities hereafter issued.

The County and the Trustee further acknowledge and agree that, from and after the execution and delivery of this Fourth Supplemental Indenture, any reference in the Original Indenture or in this Fourth Supplemental Indenture to the "Indenture" shall, unless the context clearly and unequivocally indicates otherwise, be construed to refer to the Original Indenture as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture and this Fourth Supplemental Indenture. The provisions of the Original Indenture (as heretofore supplemented and amended), to the extent they are not inconsistent with the provisions hereof, shall also apply to this Fourth Supplemental Indenture.

ARTICLE II

THE SERIES 2002-A WARRANTS

Section 2.1 **Specific Title and Terms**. (a) Title and Amount. The Series 2002-A Warrants shall be entitled "Sewer Revenue Capital Improvement Warrants, Series 2002-A". The aggregate principal amount of the Series 2002-A Warrants which may be authenticated and delivered and outstanding is limited to \$110,000,000.

(b) Form and Number. The Series 2002-A Warrants shall be issuable as registered warrants without coupons in Authorized Denominations. The Series 2002-A Warrants shall be numbered separately from 1 upward.

(c) Maturity. The Series 2002-A Warrants shall mature on February 1, 2042.

(d) Date. The Series 2002-A Warrants shall be dated as of the date of initial delivery of the Series 2002-A Warrants.

(e) Interest Rates. Each Series 2002-A Warrant shall bear interest at the Variable Rate, the Flexible Rate or the Term Rate, as provided in Section 2.2. Different Series 2002-A Warrants may be in different Interest Rate Modes at the same time, subject to the terms and conditions of Section 2.3 regarding conversion. All Series 2002-A Warrants shall initially be issued in the Variable Rate Mode. Any Series 2002-A Warrant may from time to time be converted to a different Interest Rate Mode, as provided in Section 2.3. In the event of any conversion that results in different Series 2002-A Warrants being in different Interest Rate Modes at the same time, the Trustee or Tender Agent shall draw upon the Standby Purchase Agreement only to effect the purchase of Series 2002-A Warrants in the Interest Rate Mode or Modes then covered by the Standby Purchase Agreement. The Trustee shall specify on each Series 2002-A Warrant certificate, in the space provided, which Interest Rate Mode is in effect with respect to such Series 2002-A Warrant. If a Flexible Rate is in effect with respect to a Series 2002-A Warrant, the Trustee shall also specify on the certificate for such Series 2002-A Warrant the Flexible Rate and the beginning and end of the Flexible Rate Period. If a Term Rate is in effect with respect to a Series 2002-A Warrant, the Trustee shall also specify on the certificate for such Series 2002-A Warrant the Term Rate and the beginning and end of the Term Rate Period.

(f) Computation of Interest Accrual. The Series 2002-A Warrants shall bear interest from their date, or the most recent date to which interest has been paid or duly provided for, at the applicable rate per annum set forth in this Article. Interest at the Variable Rate shall be computed on the basis of a 365 or 366-day year, as the case may be, for the actual number of days elapsed. Interest at the Flexible Rate shall be computed on the basis of a 365 or 366-day year for the actual number of days elapsed. Interest at the Term Rate shall be computed on the basis of a 360-day year with 12 months of 30 days each. Interest at the Bank Rate shall be computed on the basis of a 365-day year for the actual number of days elapsed. Interest shall accrue until each Interest Payment Date.

(g) Overdue Interest. Interest shall be payable on overdue principal on the Series 2002-A Warrants and (to the extent legally enforceable) on any overdue installment of interest on the Series 2002-A Warrants at the Post-Default Rate.

(h) Interest Payment Dates. Interest shall be payable in arrears on the following dates (each such date being herein called an "Interest Payment Date"):

(1) with respect to interest on any Series 2002-A Warrant payable at the Variable Rate, on (i) the first Business Day of each month while such Series 2002-A Warrant is in the Variable Rate Mode and (ii) the effective date of conversion of such Series 2002-A Warrant from the Variable Rate Mode to another Interest Rate Mode (each such date being herein called a "Variable Rate Interest Payment Date");

(2) with respect to interest on any Series 2002-A Warrant payable at the Flexible Rate, on the last day of each Flexible Rate Period (each such date being herein called a "Flexible Rate Interest Payment Date");

(3) with respect to interest on any Series 2002-A Warrant payable at the Term Rate, (i) on February 1 and August 1 in each year and (ii) on the last day of each Term Rate Period (each such date being herein called a "Term Rate Interest Payment Date");

(4) with respect to interest on any Bank Warrant (i) on the date such Series 2002-A Warrant is purchased by the Bank pursuant to the terms of the Standby Purchase Agreement, (ii) on the first Business Day of each month while such Series 2002-A Warrant is a Bank Warrant, (iii) on the date such Series 2002-A Warrant is remarketed, and (iv) at Maturity (if such Series 2002-A Warrant remains a Bank Warrant until Maturity); and

(5) with respect to interest at the Post-Default Rate, on the date demanded.

(i) Method of Payment. Except as otherwise provided in the following subsection or in Section 7.3 hereof, payment of interest on the Series 2002-A Warrants which is due on any Interest Payment Date shall be made by check or draft mailed by the Trustee to the persons entitled thereto at their addresses appearing in the Warrant Register. Such payments of interest shall be deemed timely made if so mailed on the Interest Payment Date (or, if such Interest Payment Date is not a Business Day, on the Business Day next following such Interest Payment Date). Payment of the principal of (and premium, if any, on) the Series 2002-A Warrants and payment of accrued interest on the Series 2002-A Warrants due upon redemption on any date other than an Interest Payment Date shall be made only upon surrender thereof at the Office of the Trustee.

(j) Wire Transfer Payment. Upon the written request of a Holder of Series 2002-A Warrants in an aggregate principal amount of not less than \$100,000, the Trustee will make payment of the Debt Service due on such Series 2002-A Warrants by Wire Transfer, provided that:

(1) such request contains adequate instructions for the method of payment, and

(2) payment of the principal of (and premium, if any, on) such Series 2002-A Warrants and payment of the accrued interest on such Series 2002-A

Warrants due upon redemption on any date other than an Interest Payment Date shall be made only upon surrender of such Series 2002-A Warrants to the Trustee.

Section 2.2 Determination of Interest Rates, Flexible Rate Periods and Term Rate Periods. (a) Variable Rate. The Variable Rate for any Series 2002-A Warrant shall be a fluctuating rate per annum determined periodically by the Remarketing Agent while such Series 2002-A Warrant is in the Variable Rate Mode, subject to the following terms and conditions:

(1) The Variable Rate with respect to any Series 2002-A Warrant shall be determined on the date of initial issuance of the Series 2002-A Warrants (the "Issue Date") or on any date of conversion to the Variable Rate Mode and on the last Business Day before each Friday while such Series 2002-A Warrant is in the Variable Rate Mode.

(2) Interest accrual at the Variable Rate determined on the Issue Date or a Conversion Date shall begin on (and shall include) the Issue Date or such Conversion Date and shall continue at such Variable Rate until (but not including) the next Thursday. Thereafter, interest accrual at the Variable Rate shall begin on each Thursday (based on the Variable Rate determined on such Thursday or, if such Thursday is not a Business Day, on the Business Day preceding such Thursday) and shall continue at such rate until the next Thursday (or, if sooner, a Conversion Date); provided, however, that if the Remarketing Agent fails to determine the Variable Rate on any such determination date, the Alternate Rate Index shall be deemed to be the rate determined.

(3) The Variable Rate with respect to a Series 2002-A Warrant shall be determined by the Remarketing Agent and shall be the lowest interest rate that would, in the opinion of the Remarketing Agent, result in the market value of such Series 2002-A Warrant being 100% of the principal amount thereof on the date of such determination, taking into account relevant market conditions and credit rating factors as they exist on such date; provided, however, that the Variable Rate may never exceed the Cap Rate.

(4) On each Variable Rate determination date with respect to a Series 2002-A Warrant the Remarketing Agent shall give telephonic notice to the Trustee of the Variable Rate so determined. Upon the request of the Holder of a Series 2002-A Warrant or any Financing Participant, the Trustee shall confirm (by telephone and in writing, if so requested) the Variable Rate then in effect.

(b) Flexible Rate and Flexible Rate Periods. The Flexible Rate for any Series 2002-A Warrant shall be a fixed rate per annum for each Flexible Rate Period. Flexible Rate Periods and the related Flexible Rate for each such period shall be determined by the Remarketing Agent from time to time while a Series 2002-A Warrant is in the Flexible Rate Mode, subject to the following terms and conditions:

(1) The duration of each Flexible Rate Period shall be established by the Remarketing Agent on the first day of each Flexible Rate Period with the advice of the County, unless the County fails to offer such advice in a timely manner, in which case the Remarketing Agent shall establish a Flexible Rate Period of such duration as the Remarketing Agent, in its judgment, estimates is likely to provide the lowest average interest rate on the Series 2002-A Warrant while the Series 2002-A Warrant is in the Flexible Rate Mode, taking into account relevant market conditions and credit rating factors as they exist on the date of determination. The duration of each Flexible Rate Period shall be subject to the following terms and conditions:

(A) A Flexible Rate Period may be any number of days from 1 to 270.

(B) Each Flexible Rate Period must end on a Business Day, but may in no event be longer than 270 days. If the final day of a Flexible Rate Period established is not in fact a Business Day, then such Flexible Rate Period shall be deemed to extend to the next day that is a Business Day.

(C) A Flexible Rate Period may not extend beyond (i) the Maturity of such Series 2002-A Warrant, (ii) the date set for redemption of such Series 2002-A Warrant, or (iii) the date set for conversion of such Series 2002-A Warrant to a different Interest Rate Mode.

(D) The Remarketing Agent shall not establish a Flexible Rate Period extending beyond the next scheduled redemption date unless, after giving effect to the Flexible Rate Period established, the aggregate amount of Series 2002-A Warrants in the Variable Rate Mode plus the aggregate amount of Series 2002-A Warrants in the Flexible Rate Mode with a Flexible Rate Period ending on or prior to the next scheduled redemption date is not less than the aggregate principal amount of Series 2002-A Warrants to be redeemed on such date.

(E) If any Standby Purchase Agreement is to be effective during the Flexible Rate Period, after giving effect to such Flexible Rate Period the average interest coverage requirement (as defined below in this paragraph) for all Series 2002-A Warrants must be at least five days less than the number of days of interest coverage provided by the Standby Purchase Agreement. For purposes of this paragraph, the term "interest coverage requirement" means: (i) for any Series 2002-A Warrant in the Variable Rate Mode, 34 days; (ii) for any Series 2002-A Warrant in the Flexible Rate Mode, the number of days in the Flexible Rate Period then in effect with respect to such Series 2002-A Warrant; and (iii) for any Series 2002-A Warrant in the Term Rate Mode, 185 days. In addition, for purposes of determining the average interest coverage requirement, the requirement for

each Series 2002-A Warrant shall be weighted according to the principal amount of such Series 2002-A Warrant.

(F) If any Standby Purchase Agreement is to be effective during the Flexible Rate Period, the Flexible Rate Period must end at least five days before the Stated Expiration Date of the Standby Purchase Agreement.

(G) If a Flexible Rate Period is in effect when a Series 2002-A Warrant is to be purchased pursuant to the Mandatory Tender provisions of Section 2.5(a)(4) (relating to notice of an event of default under the Standby Purchase Agreement), notwithstanding the Flexible Rate Period previously established with respect to such Series 2002-A Warrant, such Flexible Rate Period shall end on such Mandatory Tender Date.

(2) The Flexible Rate with respect to a Series 2002-A Warrant for the established Flexible Rate Period shall be determined by the Remarketing Agent on the first day of such Flexible Rate Period and shall be the lowest interest rate that would, in the opinion of the Remarketing Agent, result in the market value of such Series 2002-A Warrant being 100% of the principal amount thereof on the date of determination, taking into account relevant market conditions and credit rating factors as they exist on such date; provided, however, that the Flexible Rate may never exceed the Cap Rate.

(3) Interest accrual at the Flexible Rate for any Flexible Rate Period shall begin on (and shall include) the first day of the Flexible Rate Period and shall end on (but shall not include) the last day of the Flexible Rate Period.

(4) On the first day of each Flexible Rate Period with respect to a Series 2002-A Warrant, the Remarketing Agent shall give telephonic notice to the Trustee of the Flexible Rate and the Flexible Rate Period so determined. Upon the request of the Holder of a Series 2002-A Warrant or any Financing Participant, the Trustee shall confirm (by telephone and in writing, if so requested) the Flexible Rate and the Flexible Rate Period then in effect.

(5) On the last day of each Flexible Rate Period for a Series 2002-A Warrant, a new Flexible Rate Period and Flexible Rate shall be established for such Series 2002-A Warrant in accordance with the terms of this subsection unless the County has elected to convert such Series 2002-A Warrant to another Interest Rate Mode on such date.

(6) If the Remarketing Agent fails to establish a Flexible Rate and a Flexible Rate Period as provided in this subsection, a Flexible Rate Period extending to the next Business Day shall automatically be established, and the Flexible Rate for such period shall be the Alternate Rate Index.

(c) Term Rate and Term Rate Periods. The Term Rate for any Series 2002-A Warrant shall be a fixed rate per annum determined by the Remarketing Agent for a Term Rate Period specified by the County in the notice of conversion of such Series 2002-A Warrant to the Term Rate Mode, subject to the following terms and conditions:

(1) The duration of a Term Rate Period shall be limited as follows:

(A) A Term Rate Period may be any number of days greater than 270.

(B) A Term Rate Period (other than a Term Rate Period extending to Maturity) must end on a Business Day. If the final day of a Term Rate Period specified by the County is not in fact a Business Day, then such Term Rate Period shall be deemed to extend to the next day that is a Business Day.

(C) If any Standby Purchase Agreement is to be effective during the Term Rate Period, (i) the Standby Purchase Agreement must provide for payment of interest on the Series 2002-A Warrants in an amount equal to interest at the Cap Rate for 185 days (computed on the basis of a 360-day year) and must provide for payment of the maximum redemption premium (if any) payable during the Term Rate Period, and (ii) the Term Rate Period must end at least five days before the Stated Expiration Date of the Standby Purchase Agreement.

(D) If a Term Rate Period is in effect when a Series 2002-A Warrant is to be purchased pursuant to the Mandatory Tender provisions of Section 2.5(a)(4) (relating to notice of an event of default under the Standby Purchase Agreement), notwithstanding the Term Rate Period previously established with respect to such Series 2002-A Warrant, such Term Rate Period shall end on such Mandatory Tender Date.

(2) After receipt of notice that a Term Rate is to be established with respect to any Series 2002-A Warrant, but not later than the last Business Day prior to the proposed Conversion Date, the Remarketing Agent shall determine the interest rate for the Term Rate Period, which shall be the lowest interest rate that would, in the opinion of the Remarketing Agent, result in the market value of such Series 2002-A Warrant being 100% of the principal amount thereof on the date of such determination, taking into account relevant market conditions and credit rating factors as they exist on such date, and assuming that the Term Rate Period began on such date; provided, however, that the Term Rate may not exceed the Cap Rate.